

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 1338

Introduced by Kiel, 9; Bourne, 8; Landis, 46; Lynch, 13;
Preister, 5; Price, 26; Redfield, 12; Schimek, 27;
Suttle, 10; Thompson, 14

Read first time January 19, 2000

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2715.07, Revised Statutes Supplement, 1999; to provide
3 a tax credit for liability insurance premiums for onsite
4 child care facilities; to provide an operative date; and
5 to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.07, Revised Statutes
2 Supplement, 1999, is amended to read:

3 77-2715.07. (1) There shall be allowed to qualified
4 resident individuals as a nonrefundable credit against the income
5 tax imposed by the Nebraska Revenue Act of 1967:

6 (a) A credit equal to the federal credit allowed under
7 section 22 of the Internal Revenue Code; and

8 (b) A credit for taxes paid to another state as provided
9 in section 77-2730.

10 (2) There shall be allowed to qualified resident
11 individuals against the income tax imposed by the Nebraska Revenue
12 Act of 1967:

13 (a) For returns filed reporting federal adjusted gross
14 incomes of greater than twenty-nine thousand dollars, a
15 nonrefundable credit equal to twenty-five percent of the federal
16 credit allowed under section 21 of the Internal Revenue Code of
17 1986, as amended;

18 (b) For returns filed reporting federal adjusted gross
19 income of twenty-nine thousand dollars or less, a refundable credit
20 equal to a percentage of the federal credit allowable under section
21 21 of the Internal Revenue Code of 1986, as amended, whether or not
22 the federal credit was limited by the federal tax liability. The
23 percentage of the federal credit shall be one hundred percent for
24 incomes not greater than twenty-two thousand dollars, and the
25 percentage shall be reduced by ten percent for each one thousand
26 dollars, or fraction thereof, by which the reported federal
27 adjusted gross income exceeds twenty-two thousand dollars; and

28 (c) A refundable credit for individuals who qualify for

1 an income tax credit under the Beginning Farmer Tax Credit Act for
2 all taxable years beginning or deemed to begin on or after January
3 1, 2001, under the Internal Revenue Code of 1986, as amended.

4 (3) There shall be allowed to all individuals as a
5 nonrefundable credit against the income tax imposed by the Nebraska
6 Revenue Act of 1967:

7 (a) A credit for personal exemptions allowed under
8 section 77-2716.01; and

9 (b) A credit for contributions to certified community
10 betterment programs as provided in the Community Development
11 Assistance Act. Each partner, each shareholder of an electing
12 subchapter S corporation, each beneficiary of an estate or trust,
13 or each member of a limited liability company shall report his or
14 her share of the credit in the same manner and proportion as he or
15 she reports the partnership, subchapter S corporation, estate,
16 trust, or limited liability company income.

17 (4) There shall be allowed as a credit against the income
18 tax imposed by the Nebraska Revenue Act of 1967:

19 (a) A credit to all resident estates and trusts for taxes
20 paid to another state as provided in section 77-2730; and

21 (b) A credit to all estates and trusts for contributions
22 to certified community betterment programs as provided in the
23 Community Development Assistance Act.

24 (5) A taxpayer shall be allowed a credit against the
25 income tax imposed by the Nebraska Revenue Act of 1967 for amounts
26 paid as insurance premiums for liability insurance by the taxpayer
27 in conjunction with an onsite employer-sponsored child care program
28 operated by the taxpayer for the benefit of the taxpayer's

1 employees to the extent the insurance premiums are not used by the
2 taxpayer to reduce federal adjusted gross income or federal taxable
3 income.

4 Sec. 2. This act becomes operative for all taxable years
5 beginning or deemed to begin on or after January 1, 2000, under the
6 Internal Revenue Code of 1986, as amended.

7 Sec. 3. Original section 77-2715.07, Revised Statutes
8 Supplement, 1999, is repealed.